

IN THE STATE COURT OF HALL COUNTY  
STATE OF GEORGIA

Amy & James Dunn :  
vs. : 2014-SV-200-Z  
Ronald Patterson :

VERBATIM RECORD  
TAKEN BEFORE THE HONORABLE LARRY A. BALDWIN, II  
STATE COURT JUDGE  
JUNE 29, 2016

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EXHIBIT  
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1           **MR. WILLIAMS:** I don't believe it directly says that,  
2           no, Sir. Lastly, I believe it's premature for the  
3           plaintiff's to be arguing what they are. We need to  
4           determine today whether or not Columbia Insurance Company  
5           has coverage for defendant Patterson in this case. That is  
6           not the way it works. This is a case of just not allowing  
7           direct actions against an insurance company to do that  
8           except in extremely limited circumstances set forth in the  
9           statute which was cited in the brief. That's exactly what  
10          they are wanting to do. They are trying to jump the gun.  
11          They want to get the coverage determination before they get  
12          the judgment. It doesn't work that way. It just not the  
13          way the law works in Georgia.

14                 In order for them to bring their action against  
15          Columbia, they have to first obtain a judgment against the  
16          reported insured defendant, in this case Mr. Patterson. We  
17          are a long way from that right now. He is in default.  
18          Clearly negligence is not going to be an issue. But,  
19          damages certainly are. So, until that final judgment is  
20          entered we shouldn't even be talking about coverage of  
21          Columbia right now. That is just not a relative aspect of  
22          it. They are asking this Court to do something that it  
23          shouldn't be doing. It really doesn't have the right to  
24          come in. We are not even a party to that. Columbia's not  
25          even a party to this case. It just should not happen in

1       this juncture of the litigation for the coverage to be  
2       determined. That comes later. Case law is perfectly clear  
3       that that is how it should be done.

4               I don't want to rehash the arguments that have been  
5       made by counsel for the defendant. But, I think he's  
6       correct in his interpretation of Richmond and what those  
7       cases say. There isn't anything in those cases that  
8       specifically prohibit an insurance company from paying for  
9       defense even after they have denied coverage. Because that  
10      is it. Anybody can pay. I can pay it out of my pocket if  
11      I wanted to. If he had a relative or friend that wanted to  
12      loan him the money to do it, they can do it. There is  
13      certainly no reason why the money that is funding the  
14      defense for this defendant can't be paid for by anybody who  
15      volunteers to do so period, it doesn't matter as long as  
16      1.8 is followed. Which, as I said, there's no evidence  
17      that would indicate in any way that it has not been  
18      followed.

19             It is interesting that counsel for the Plaintiff  
20      argues that they don't want to deny Mr. Patterson his right  
21      to counsel. But, yet they know fully well that Mr.  
22      Patterson has no financial means to pay for counsel. The  
23      only way he is going to be represented in this case is if  
24      it's paid for by somebody else. In this case, the party  
25      that has volunteered to do that happens to be Columbia